

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF BITTERROOT WATER COMPANY FOR) **CASE NO. BIT-W-05-1**
AUTHORITY TO INCREASE ITS RATES)
) **NOTICE OF APPLICATON**
)

YOU ARE HEREBY NOTIFIED that on June 15, 2005, Bitterroot Water Company, Inc. (Bitterroot; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting a change in its tariff rates from a metered base rate of \$20 per month to a metered base rate of \$45 per month. No change is proposed in the commodity charge per 1,000 gallons of water consumed in excess of 15,000 gallons per month. According to the Application, the proposed increase is to help offset the increasing costs associated with the operation, maintenance and capital improvements to the water system.

Bitterroot is a regulated water utility providing water service under Certificate of Public Convenience and Necessity No. 319 to approximately 116 customers in Kootenai County, Idaho. The Company's water rates were last adjusted in 1999. Reference Order No. 28121.

Bitterroot contends that in the last 12 months, the water system has been systematically reviewed and upgraded to maintain compliance with increasingly tougher government standards for water quality. The increased operating expenses, the Company contends, are largely out of its control. Rising power costs play the biggest role in recent operating expense increases. Bitterroot's Application is accompanied by financial schedules and engineering information.

YOU ARE FURTHER NOTIFIED that Commission Staff anticipates holding a public workshop for customers and will recommend further procedure based on its investigation and assessment of the Company's filing.

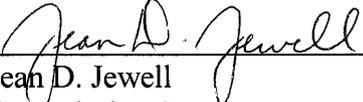
YOU ARE FURTHER NOTIFIED that the Application in Case No. BIT-W-05-1 and related schedules and engineering information are available for public inspection during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho. Additionally, arrangements for inspection can be made by contacting the Company at telephone number (208) 683-8105.

YOU ARE FURTHER NOTIFIED that the Commission has authority to determine a change in the Company's total revenue requirement in an amount other than that proposed by the Company and/or a spread or allocation or relative increase in the tariffed rates or charges other than that proposed by the Company.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over Bitterroot Water Company and the issues presented in its Application pursuant to Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that the Application together with supporting schedules and engineering information is also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon and then "Water Cases."

DATED at Boise, Idaho this 30th day of June 2005.



Jean D. Jewell
Commission Secretary

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